



October 15, 2008

Philip Guidice, Commissioner
Department of Energy Resources
100 Cambridge Street, Suite 1020
Boston, MA 02114

Re: Comments Addressing Section 105 of Chapter 169 of the Acts of 2008

Dear Commissioner Guidice:

I am writing on behalf of Massachusetts Electric Company and Nantucket Electric Company d/b/a National Grid ("National Grid") at the invitation of the Department of Energy Resources, ("DOER") to comment on Renewable Portfolio Standard (RPS) issues raised by SECTION 32, Section 11F of Chapter 169 of the Acts of 2008 (the "Green Communities Act" or the "Act"). The DOER invited comment on the three questions in particular related to the RPS Class II.

How should the annual Class II RPS percentage rate be determined, and what should that rate be?

National Grid notes that the amount of Class II renewables is finite, and recommends setting the annual rate at a percentage of available Class II renewables each year, such that the Class II requirements can be met with actual renewables each year, as opposed to ACP payments. Further, the Massachusetts Class II REC requirement value should be based on the incremental, above market, revenue needed to keep existing renewable resources in operation. Both the percentage requirement and the alternative compliance payment (ACP) should be based on DOER's best assessment of the number of existing resources requiring such "maintenance" and on the magnitude of the incremental revenue requirements. Absent such an assessment, National Grid suggests fifty percent of actual resources as a reasonable requirement, and using fifty percent of the ACP for new resources. The assessment described above could be based only on existing Massachusetts renewable resources, or alternatively, on all resources in ISO-NE, with an allowance for requirements of other states for RECs from existing resources.

What criteria should be required for any of the specified eligible technologies or fuels?

National Grid suggests that the criteria should be the same as Class I renewables.

What should the Alternative Compliance Payment (ACP) amount be for Class II, and how should it be calculated?

The alternative compliance payment (ACP) should be based on DOER's best assessment of the number of existing resources requiring such "maintenance" and on the magnitude of the incremental revenue requirements. Alternatively, fifty percent of the ACP for new resources may be a reasonable proxy.

Very truly yours,

A handwritten signature in black ink, reading "Amy G. Rabinowitz". The signature is written in a cursive, flowing style.

Amy G. Rabinowitz